GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:829
ANSWERED ON:22.11.2002
ELIMINATION OF QUOTA CURBS
PAWAN KUMAR BANSAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Doha WTO Ministerial Conference had decided to step up elimination of quota curbs;

(b) whether the US decision on textile quota runs counter to this decision and would hit Indian exporters adversely;

(c) if so, the action taken, if any, to obviate such a situation; and

(d) whether the quotas would be phased out by the year 2005 as stipulated under WTO?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) The Doha World Trade Organization (WTO) Ministerial Conference had reaffirmed the commitment to full and faithful implementation of the Agreement on Textiles and Clothing, and agreed that the provisions of the Agreement relating to the early integration of products and the elimination of quota restrictions should be effectively utilized. It had also mandated an examination by the WTO`s Council for Trade in Goods of two implementation proposals relating to the Agreement on Textiles and Clothing (ATC) for recommending appropriate action by 31st July 2002. The first proposal relates to calculating the quota level for small suppliers for the remaining years of the ATC using the most favourable methodology available in respect of those members under the growth on growth provisions. The second proposal which is of relevance to us requires the usage of the higher stipulated percentage for growth on growth with effect from 1st January 2000 itself rather than at the beginning of the third stage which is 1st January 2002.

India had coordinated its position on the second implementation issue on `growth - on - growth` with certain other textile exporting countries, including the ITCB member countries, and sought a satisfactory resolution of this issue.This was however strongly opposed by the United States and certain other restraining countries. The issue could therefore not be successfully resolved by 31st July 2002.

(c) India has raised the issue of non-adherence to the deadline on this implementation issue as mandated by the Doha Ministerial Conference at the WTO and other meetings with major trading countries.

(d) In accordance with the Agreement on Textiles and Clothing all restrictions under the agreement have to be eliminated with effect from 1st January, 2005.